

November 5, 2009

South Coast Blue Ribbon Task Force
Marine Life Protection Act Initiative
c/o California Natural Resources Agency
1416 Ninth Street, Suite 1311
Sacramento, CA 95814

Dear Members of the Blue Ribbon Task Force:

At the October 21, 2009 Blue Ribbon Task Force (BRTF) meeting, the Natural Resources Defense Council presented a letter from Dr. Vernon Leeworthy of NOAA regarding the recent report from Southwick Associates on the potential economic consequences to the recreational industry from new MPAs. While I appreciated the opportunity rebut some of these unfounded concerns at the meeting, I would like to provide further comment.

For the record, there are several claims that are misleading or incorrect, several of which are described here:

- 1) Dr. Leeworthy states it is “bad economics” to include annual expenditures in the analysis. “Annual” expenditures refer to equipment: fishing tackle, boats, etc. When the changes are truly marginal – such as going from a 10 fish bag limit to 5 – then his statement is correct. But, when major structural (vs. marginal) changes are imposed, such as those expected from the current MLPA process, then people’s purchase of equipment may change substantially. To tell fishing tackle and marine manufacturers that their business will not be affected is an insult to the industry. Several major manufacturers and area retailers spoke at the Oct 21st public hearing, attesting to their concern about business impacts. NOAA, the State of California nor any other entity associated with the MLPA process has attempted to measure the impacts on the businesses dependent on recreational fishermen, though this is done for commercial fishing businesses. This oversight naturally conveys a negative message to the recreational community that they are being excluded from the process.

To adequately address and monitor economic impacts, the level of impacts to tackle and equipment sales after specific structural changes occur within the recreational fishery must be quantified. The science exists to conduct such research, and recent Magnuson-Stevens Act changes require such economic considerations relating to federal marine management. However, such work has not been completed, making it easy for people to hide behind old theories that changes in regulation do not impact tackle and equipment sales. If such work is ever done, we kindly ask that such work be carried out by qualified and neutral

resource economists not employed by recreational or marine governmental bodies.

- 2) We dispute the claim the Channel Islands reserves has not had any effect on the recreational industry. Logbook data indicate trips have remained relatively constant, but do not report the number of paying passengers or profitability impacts. Profitability is a better measure of regulatory impacts on any industry, but such impacts have not been monitored. An effort was made by the United Anglers of Southern California to monitor the impacts on the CPFV fleet after CINMS went into effect, and it indicates there was a substantial financial impact on the fishery, including the closure of several CPFV businesses and disruptions within others. A more thorough analysis is required before NOAA can claim there are no impacts on the recreational industry.
- 3) The impacts observed in Florida's Tortugas Ecological Reserve in no way parallel the potential impacts to Southern California. The Tortugas are 90 miles from the nearest road and dock, and 200 miles from any sizeable metropolitan area. The proposed Southern California closures are in the midst of one the USA's largest and most densely populated urban areas. Shore fishing by anglers without boats constitutes 75 percent of the area's marine fishing (source: California Recreational Fisheries Survey). Zero percent of the Tortugas' fishing is by anglers without boats. The economic values held by users of both locations, and the difference in the number of users in both locations, will vary significantly. It is not reasonable to use the Tortugas as a comparison for Southern California.
- 4) We make a statement in our testimony that, when the cost of sport fishing goes up, participation goes down. This is a simple statement based on quantified research. We have performed regression-based research to measure the impacts of increased license fees on sportfishing participation. MLPAs will generate defacto price increases. By directing anglers to fish less preferred locations, they receive less satisfaction for their efforts. This means they will need to pay more for a commensurate amount of benefit. As cost goes up to achieve the same level of fishing satisfaction, the number of annual fishing trips in Southern California will be expected to decline by an unknown percentage. The science exists to monitor such changes.
- 5) Dr. Leeworthy's last paragraph on page 2 is misleading. He first states the characteristics of recreational activity will change once fishing is banned. This first part of his statement is correct. The reason for this change is obvious: anglers would no longer be present. Dr. Leeworthy clearly states:
 - a. In the Florida Keys, non-consumptive recreation is "**concentrating**" in the no-take areas (emphasis added). "Concentrating" refers to trips once taken in other areas now occur in the closed areas. This in no way implies recreational activity is increasing, which is vital if economic impacts are to be minimized. It only implies that the location of effort has shifted.

- b. Dr. Leeworthy clearly states “It is true we don’t know how much of a response there will be without monitoring.” Therefore, I am not sure how NOAA can make a claim that we underestimate the impact of consumptive recreation. This is, by the author’s admission, an unsupported claim. The author then ends this paragraph by stating he does not know if non-consumptive recreation can offset sportfishing economic losses. We would like to see better science on this topic, too.

In conclusion, if NOAA and the MLPA process had taken the time to adequately consider and scientifically assess the potential impacts on the recreational fishing community and coastal economy as a result of the proposed closures, we may not be in disagreement. As with any group potentially seeing their businesses closed due to unwanted government action, the recreational fishing community wants to be heard and considered in the MLPA process. We also want to know how much anglers’ consumer surplus will shrink after being directed to fish in less desired locations. However, no such information has been produced, though we see similar work provided for the commercial sector. We kindly ask that NOAA and other economists take the time to adequately investigate these impacts before relying on potentially incorrect assumptions and unreasonable comparisons.

Thank you for your consideration.

Sincerely,

A handwritten signature in purple ink, appearing to read "Rob Southwick", followed by a long horizontal line extending to the right.

Rob Southwick,
President